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March 11, 1996

Mr. Mark Johnson 3140 N. 2000 W. Delta, Utah 84624

RE: Notice of Intention to Commence Small Mining Operations; ML-41355--GS/FS

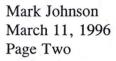
Dear Mr. Johnson:

The School and Institutional Trust Lands Administration is in receipt of your Notice of Intention to Commence Small Mining Operations on lease hold ML-41355, which is filed on the form that is required by the Division of Oil, Gas and Mining (DOGM). Since your mining operations will occur on Utah State Trust Lands the Trust Lands Administration requires more specific information than does the Division of Oil, Gas and Mining. You must submit this information to the Trust Lands Administration before we can grant approval for commencement of mining operations.

I have enclosed a copy of the outline that you should follow in filing your plan of operations with the School and Institutional Trust Lands Administration. Please pay attention to section (b) which pertains to mining or mineral resource extraction on Trust Lands. Much of the information included in your Division of Oil, Gas and Mining Notice of Intent will be the same as required by the Trust Lands Administration, but the Trust Lands Administration will require more detailed information as follows: (See outline of Trust Lands Administration Notice of Intent)

- (b) iii) a) Please provide an estimate of the quantity of material to be mined annually.
- (b) iii) c) Provide information pertaining to the depth of the mineral resource, the height of high walls that will be created in the course of mining and the exact acreage to be disturbed.
- (b) iii) e) Please indicate if areas will be left unreclaimed to facilitate mining in the following season.





(b) iv) Please provide a more detailed map of your propose mining locations which specifically identifies the exact location of actual excavations and areas where overburden will be deposited. Top soil must be removed and stockpiled separately for redistribution as part of the required reclamation. I have enclosed an enlargement of a copy of the topographic map which covers lands included in lease ML-41355 on which the location of excavations, overburden piles, roads and other information can be plotted.

The Antiquities Section of Division of State History will determine if a cultural resource survey will be required. If a cultural survey is required it will be at the expense of the operator and the survey must be performed by an individual or party deemed by the Trust Lands Administration to be qualified to perform such work. It is important to accurately identify your proposed mine sites on the accompanying map in order to avoid the cost of a cultural survey on the entire leasehold.

As indicated in your Notice of Intent, filed on the DOGM form, you intend to grade and improve existing roads. The School and Institutional Trust Lands Administration will not allow the creations of any new road and will not allow any existing roads to be broadened or extended.

If you have any questions please feel free to contact me.

Sincerely,

William M. Stokes

Minerals Resource Specialist

cc: Robert G. Pruitt III

Pruitt, Gushee & Bachtell

Suite # 1850 Beneficial Life Tower Salt Lake City, Utah 84111-1495

Tom Munson, DOGM Wayne Hedberg, DOGM